

Coastal States Energy Company A SUBSIDIARY OF THE COASTAL CORPORATION 0060

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The Energy People

DIVISION OF

OIL GAS & MINING

Vernal J. Mortensen SENIOR VICE PRESIDENT

June 15, 1992

Mr. George Morris, Supervisor U.S. Forest Service 599 West Price River Drive Price, Utah 84501

Dear Mr. Morris.

Re: Subsidence of Burnout Creek

It has always been and continues to be our intent to mine under Burnout Creek and to remove coal to the full extent possible. All approved versions of our Mining and Reclamation Plan, past and present, have clearly stated this intent. This can only be economically accomplished through longwall mining which results in planned subsidence of the overlaying strata. Longwall mining and resulting subsidence has previously been approved through the initial EIS and subsequent mine plan approvals by all agencies with applicable approval authority. Notwithstanding those previous actions, we have been informed by your office that we must have your current approval and, therefore, have requested your office initiate appropriate action to provide such approval.

We have investigated the options available to us and find the only viable course of action is to continue longwall mining as planned and approved along with implementation of a mutually agreed to evaluation and mitigation plan. One option, of course, is not to mine at all under Burnout Creek. This option is not economically viable and violates the BLM mandate of maximum resource recovery. The second option is to first mine the area with continuous mining techniques, which is not viable for the same reasons. The only viable option is full extraction mining with longwall controlled subsidence techniques while the opportunity is present. This option does meet the BLM mandate of maximum resource recovery.

Mr. George Morris Page two June 9, 1992

We have committed to help study subsidence effects, and provide mitigation and enhancement.

Even though we have requested your office's approval in a separate letter, we feel such approval is costly and unnecessary. Please clarify the need for a separate, distinct and repetitive approval of the EIS dated July 2, 1979, which specifically included our coal operation. Your help in resolving our concerns will be appreciated.

Sincerely yours,

Vernal J. Mortensen Senior Vice President

VJM:KWW/gb/2062

cc: BLM

**DOGM**